

**Special Report**  
**Governance Assessment Fiscal Year 2003**

October 2003

**City Auditor's Office**

**City of Kansas City, Missouri**

October 28, 2003

Honorable Mayor and Members of the City Council:

In Kansas City, appointed boards and commissions oversee development incentives; maintenance of parks and provision of recreation opportunities; and the delivery of police, ambulance, and other government services. Like elected officials, boards are responsible for allocating public resources and overseeing provision of services. In 2002, boards and commissions spent over \$300 million in public money. Because many city services and functions are carried out by appointed boards and commissions, the City Council has found it important that these boards and commissions follow good practices in executing their authority. As a result, the City Council has directed the City Auditor to distribute an annual governance assessment checklist, the boards and commissions that receive checklists to complete and return them, and the City Auditor to report on the results. This is the second year the governance assessment was required.

The work and practices of boards and commissions have been a focus of much research and discussion among experts. In governments, the governance structure is the means by which citizens control the organization. Governance is the exercise of authority, direction and control by a governing board. This important function is distinct from that of management – governance deals with *what* an organization should do. Management deals with day-to-day operations or *how* the organization sets out to meet its goals.

In August 2001, we identified six core functions for which boards are responsible:

- Leading the organization
- Setting policies delineating management responsibilities
- Ensuring management compliance with board directives
- Ensuring accountability for achieving organizational goals
- Ensuring a high level of board performance and effectiveness
- Representing the “owners” of the organization

These governance functions are important because failure to govern effectively can lead to misspending public money, poor delivery of public services, and betrayal of public trust.

We appreciate the courtesy and cooperation extended to us by the boards and commissions that participated in the assessment. The audit team for this project was Anatoli Douditski and Michael Eglinski.

Mark Funkhouser  
City Auditor

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# Governance Assessment Fiscal Year 2003

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## Introduction

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## Objectives

This report on governance practices of boards and commissions was conducted pursuant to Article II, Section 13 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the City Auditor's primary duties.

The Code of Ordinances, section 2-722, requires the City Auditor to administer a governance assessment checklist and to report on the results. The report should help the Mayor and City Council understand and evaluate the governance practices of boards and commissions.

This is the second governance assessment report, it was designed to answer:

- Did the boards and commissions submit information as required by city code?
- Based on the information submitted, what are the governance practices of the boards and commissions?

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## Scope and Methodology

Our review focuses on Kansas City boards and commissions with control over major city resources and programs; namely city component units<sup>1</sup> and the Board of Parks and Recreation Commissioners. We selected 10 boards and commissions to include in this year's review.<sup>2</sup>

City code requires the City Auditor to distribute the checklist "to all appropriate governing or policy boards of the City, including component

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<sup>1</sup> According to Governmental Accounting Standards Board (GASB) statement No. 14, a component unit of a primary government is an organization that is legally separate from the government but for which the primary government is financially accountable because the government officials appoint a voting majority of the organization's governing body and either the government is able to impose its will on that organization or there is a potential for the organization to provide specific benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

<sup>2</sup> 18<sup>th</sup> and Vine Authority was not included because it does not have a contractual relationship with the city.

units' boards and commissions." The code also allows the City Auditor to invite the Board of Police Commissioners to participate.

In March 2003, we distributed assessments to the Board of Parks and Recreation Commissioners and all of the component units identified in the City's 2002 Comprehensive Annual Financial Report, and invited the Board of Police Commissioners to participate. We made follow-up phone calls to each board and commission.

The audit was conducted in accordance with generally accepted government auditing standards. We did not evaluate or verify the responses to reach conclusions about the extent to which the boards and commissions follow good governance practices. Instead, we summarized the information as reported by the boards on the date of their response.

No information was omitted from this report because it was deemed privileged or confidential.

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## **Background**

### **Legislative Authority**

City code requires certain boards and commissions to annually complete and submit checklists about their governance practices. The City Auditor is responsible for developing and distributing the checklist and must report to the Mayor and City Council by each November 1.<sup>3</sup> The Mayor and City Council approved the requirements in September 2001.

This is the second year boards and commissions have been required to assess their governance practices.

### **Kansas City Boards and Commissions**

Appointed boards and commissions are major players in local government. Like elected officials, boards are responsible for allocating public resources and overseeing the provision of services. In Kansas City, boards and commissions spent over \$300 million in fiscal year 2002 for services such as policing, parks and recreation, and ambulance; and for business and development incentives. (See Exhibit 1.)

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<sup>3</sup> Kansas City Code of Ordinances, Section 2-722, Governance Assessment Checklist.

Exhibit 1. Selected Boards and Commissions, 2002 Expenditures

Organization	Expenditures
Kansas City Board of Police Commissioners	\$128,858,000
Board of Parks and Recreation Commissioners	56,860,000 <sup>4</sup>
Tax Increment Financing Commission	48,880,000
Metropolitan Ambulance Services Trust	40,699,000
Land Clearance for Redevelopment Authority	12,947,000
Port Authority of Kansas City, Missouri	9,729,000
Economic Development Corporation	3,412,000
Kansas City Downtown Minority Development Corp.	266,000
Kansas City Maintenance Reserve Corporation	55,000
Kansas City Corporation for Industrial Development	44,000
Charitable Fund	
Total	\$301,750,000

Sources: Kansas City, Missouri CAFR and MAST financial statements for the year ending 4/30/02.

### Good Governance Practices

In *Good Governance Practices for Boards and Commissions*, we identified six core governance functions.<sup>5</sup> Research studies and experts identify governance functions and practices that, if adopted, should improve the operations of organizations lead by boards and commissions. Following these practices would improve the effectiveness of boards' activities and result in boards that are accountable to citizens and elected officials. These governance functions are important because failure to govern effectively can lead to misspending public money, poor delivery of public services, and betrayal of public trust.

**Leading the organization.** Boards and commissions should set overall goals for the organization. The goals should describe the end result of the organization's activities and should be communicated to management.

**Setting policies delineating management responsibilities.** Boards and commissions should adopt policies that delineate the latitude and the power of the board and the top executive. Board policies should prescribe the relationship between the board and the top executive.

In addition, the board should adopt specific financial planning, revenue, and expenditure policies.

<sup>4</sup> Includes expenditures related to an ice storm in 2002.

<sup>5</sup> *Special Report: Good Governance Practices for Boards and Commissions*, City Auditor's Office, City of Kansas City, Missouri, August 2001.

**Ensuring management compliance with board directives.** Boards and commissions should ensure management compliance with board directives. Boards should specify what the top executive must report on, when, how often, and the criteria against which the CEO reports will be compared. Boards should provide for regular internal and external review of management compliance with board policies, resolutions, existing laws, and ethical standards.

**Ensuring accountability for achieving organizational goals.** Boards and commissions should monitor the organization's progress toward accomplishing its goals, and review and update the policies, mission statement, and goals. Boards should hold the top executive responsible for the organization's performance and regularly assess management's performance in terms of achievement of goals. In addition, boards should seek information from sources independent of management on whether the organization is achieving its goals.

**Ensuring a high level of board performance and effectiveness.** In addition to code of ethics and conflict of interest policies, boards and commissions should adopt policies that prescribe board activities and the manner in which board meetings are conducted, the committees are structured, and decisions are communicated.

**Representing the "owners" of the organization.** City boards and commissions should be cognizant of the fact that they represent the people of Kansas City. Board members' behavior should reflect the understanding that they are trustees for the citizens, accountable to the Mayor and City Council. Boards should conduct business in accordance with the Missouri Sunshine Law.

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## **Analysis**

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### **Summary**

Ten city boards and commissions answered a series of questions about their governing practices and provided documents about their organizations. These organizations spent over \$300 million in 2002. Although city code requires organizations that receive assessment questions to submit responses by April 30, six organizations responded after the deadline.

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### **Boards Submitted Governance Information**

In March 2003, the City Auditor sent governance assessment questionnaires to ten city boards and commissions. All of the boards submitted responses to the City Auditor. The following boards submitted information:

Board of Police Commissioners  
Board of Parks and Recreation Commissioners  
Tax Increment Financing Commission  
Metropolitan Ambulance Services Trust  
Land Clearance for Redevelopment Authority  
Port Authority  
Economic Development Corporation  
Kansas City Downtown Minority Development Corporation  
Maintenance Reserve Corporation  
Kansas City Corporation for Industrial Development

#### **Some Boards Did Not Meet the Response Deadline**

Six boards did not respond to the governance assessment by the deadline. City code requires boards to respond to the governance assessment and to do so by April 30. To help ensure compliance, the City Auditor's Office contacted each agency prior to distributing the checklist to let them know they would be receiving it. We sent the checklists on March 17, 2003, and followed up by phone.

After the April 30 deadline passed, we followed up with the six agencies that had not responded. By July 11<sup>th</sup>, the remaining agencies had submitted responses. (See Exhibit 2.)

Exhibit 2. Governance Assessment Checklist Responses Received After the Deadline

Agency	Response Date
Land Clearance for Redevelopment Authority	May 1, 2003
Port Authority	May 5, 2003
Kansas City Downtown Minority Development Corporation	July 3, 2003
Board of Parks and Recreation Commissioners	July 7, 2003
Economic Development Corporation	July 11, 2003
Kansas City Corporation for Industrial Development	July 11, 2003

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## Summaries of Board and Commission Responses

City boards and commissions provided the City Auditor's Office with documents and written responses to a series of questions. We asked each board:

- What are the board members' names and titles?
- How often does the board meet?
- What committees does the board have? What are the committees' functions?
- What is the name and title of your chief executive?
- Who does the chief executive report to?
- How is the meeting agenda prepared? How do items get onto the agenda?
- What are the goals of your organization?
- How does the board know that the organization is achieving its goals?
- How does the board verify that the information provided by management is correct?

- How does the board represent the interests of Kansas Citians?

Boards and commissions also provided documents, if available, including: annual reports, organization charts, job descriptions, mission statements, by-laws, external audit reports, and minutes of recent meetings.

In this report, we present the summarized information from the responses received from boards and commissions in 2002 and 2003. We also include a list of the audit work we have done regarding each agency.

### **Kansas City Board of Police Commissioners**

The Board of Police Commissioners participated in the governance assessment although city code does not require their participation. According to the Board's response received by our office in April 2003, the Kansas City Board of Police Commissioners was composed of:

Dr. Stacey Daniels Young, President  
Karl Zobrist, Vice-President  
Javier Perez  
Angela Wasson-Hunt, Treasurer  
Mayor Kay Barnes

The Governor appoints four Board members. The Board also includes the Mayor as a member by virtue of the office.

The Kansas City Board of Police Commissioners' goal is to meet the obligations expressed in RSMo 84.420, such as preserve peace, prevent crime, arrest offenders, protect the rights of persons and property, etc. They plan to do this in the most fair, expeditious, and economical manner.

The audit subcommittee receives, reviews, and reports to the full board on all audits involving the Kansas City Police Department.

The Board meets regularly once a month. The legal advisor's office prepares the meeting agenda after review by the Board's President.

Richard D. Easley, Chief of Police, is the chief executive (CEO). He reports directly to the Board of Police Commissioners.

To direct the management of the Police Department, the Board adopts board resolutions, procedural instructions, and personnel policies prepared by the Chief of Police.

Fiscal policies adopted by the Board include a procedural instruction that prohibits the Police Department management from spending money in excess of the amounts appropriated by the Board and a policy on grants. To control whether the Police Department meets the Board's goals, the board members review crime statistics, personnel statistics, and capital improvement update reports from Police Department management.

To verify the information provided by police management, the Board reviews reports issued by outside auditors who annually audit Kansas City Police Department financial reports. The Board also receives audit reports from the Missouri State Auditor and City Auditor of Kansas City, Missouri.

To learn about and to meet and represent the interests of Kansas Citizens, the Board of Police Commissioners has created an Office of Citizen Complaints (OCC), which receives and reviews citizen complaints about the Kansas City Police Department. In addition, they hold informal meetings with neighborhood and community groups, members of the City Council, and State Legislature. The presence of the Kansas City Mayor on the Police Board allows for communication between the Police Board and the city.

We conducted the following audit work regarding this agency:  
*Preliminary Review – Kansas City, Missouri Police Department (1996);*  
*Patrol Deployment: Blackout Analysis (1998);*  
*Kansas City Police Department: Opportunities for Civilianization (1998);*  
*Police Retirement Funds (1998);*  
*Police Performance Measures (1999);*  
*Police Citizen Complaint Process (2000);*  
*Police Department Fees and Service Charges (2001);* and  
*Consolidating City and Police Support Services (2001).*

### **Board of Parks and Recreation Commissioners**

According to the Board's response received on July 7, 2003, the Board of Parks and Recreation Commissioners consisted of:

Sandra Doolin Aust, President  
Tim Kristl  
Bob Lewellen  
Cici Rojas  
William Washington

The Mayor appoints commissioners.

The Board's goal is to improve the quality of life by providing recreational, leisure, and aesthetic opportunities, and by conserving and enhancing the environment, providing quality programming, making the best use of existing resources, developing a supportive and influential constituency, developing effective collaborations and partnerships, and acquiring and preserving natural features.

There are no subcommittees. The Board holds weekly meetings. Staff prepare agenda for Board meetings.

The City Charter, sections 50 through 76, spells out responsibilities for the Board. One of the responsibilities of the Board, as outlined by the Charter is to appoint an Executive Officer. Duties of this officer are outlined in a position description through the Human Resources Department. Mark L. McHenry is the chief executive who reports to the Board.

To know whether the Board is achieving their goal, Commissioners review staff reports; spot check parks, boulevards, community centers, and other assets; and review citizen comments about the assets to verify the information provided by management. In addition, the Board receives monthly reports of park conditions.

Board members are assigned to serve on executive boards of partner organizations such as Starlight and Friends of the Zoo. The commissioner assigned to represent the Board at meetings of partner organizations is responsible to share information with the rest of the Board. Commissioners plan to conduct surveys and analyses of community needs and citizen satisfaction. In addition, they allocate a portion of each meeting to public testimony.

We conducted the following audit work regarding this agency:

*Kansas City Zoo (1989);*

*Parks Maintenance Services Division (1991);*

*Follow-up: Kansas City Zoo (1993);*

*Consolidation of Selected Activities, Parks and Recreation and Public Works Departments (1995);*

*Follow-up: Park Maintenance Services Division (1996);*

*Golf Course Inventory Controls (1996);*

*Golf operations (1996);*

*Special Report: Parks and Recreation Department Program Performance Measures (2000);*

*Follow-up: Golf Course Retail Inventory Controls (2000);*

*Follow-up: Consolidation of Selected Activities of the Parks and Recreation and Public Works Departments (2000);*

*Liberty Memorial Restoration (2001);*

*Parks and Recreation Department Community Centers (2002);  
Park Conditions (2002); and  
Span of Control (2002).*

### **Tax Increment Financing Commission**

The Tax Increment Financing (TIF) Commission was created by Ordinance 54556 on November 24, 1982 in accordance with the Real Property Tax Increment Allocation and Redevelopment Law (Chapter 99.800 RSMo.)

According to the Commission's response received on April 29, 2003, the TIF Commission consisted of six commissioners:

Peter Yelorda, Chair  
Ron Yaffe, Vice Chair  
Chester Wittwer, Treasurer  
Gwen Grant  
Barbara Pendleton  
John Loss

The Mayor appoints six commissioners with the City Council's approval. Depending on the project, the TIF Commission also includes two representatives of an affected school district, two representatives of an affected county, and one representative of any other taxing authority.

The TIF Commission's goal is to eliminate blight and promote economic development. They plan to do this by providing financing for public or capital improvements which would not otherwise be financially feasible.

The Commission has the following subcommittees:

- Affirmative Action subcommittee reviews issues related to MBE/WBE participation and policies.
- Financial subcommittee reviews financial reports, financial audits, and other related matters.
- Administrative subcommittee reviews policies and procedures.

The Commission also has advisory committees for specific TIF projects.

The Commission holds monthly meetings. In addition, they hold an annual session where they discuss their goals and needs. Staff from the Economic Development Corporation (EDC) prepare meeting agendas.

Andi Udrys of the Economic Development Corporation is the TIF Commission's Chief Executive Officer. He reports to the Commission.

The Commission has adopted by-laws; developed job descriptions for commissioner, director, and financial manager; and has established procedures for submission and modification of redevelopment applications, bidding policies and procedures, economic activity taxes policy and procedures, and other procedures.

To know whether they are meeting their goals, the Commissioners review annual and other reports developed by staff.

To verify the information provided by management, Commissioners hire outside financial and other consultants for an independent third party review. They also review the annual financial audit.

To know and represent the interests of Kansas Citizens, Commissioners include representatives of school districts, counties, and other taxing districts in project approval discussions, and work with city departments and the City Council.

We conducted the following audit work regarding this agency:

*Reviews of Audits of Outside Agencies* (annual reviews);

*Tax Increment Financing* (1998);

*Review of the 1999 TIF Annual Report* (2000); and

*Controls Over TIF Expenditures* (2003).

### **Metropolitan Ambulance Services Trust**

The City Council established Metropolitan Ambulance Services Trust (MAST) to operate the business portion of the ambulance service in Kansas City, Missouri. MAST contracted with a private company for personnel to staff the ambulances and the dispatch center<sup>6</sup>. MAST owns or leases all the equipment used in the system, and does all the billing.

According to the Board's response received on April 28, 2003, the Board of Trustees of MAST was composed of:

Deborah Jantsch, MD, Chair

Councilmember Becky Nace, Secretary

Councilmember Ed Ford

Senator Charles Wheeler, MD

Joe Waeckerle, MD

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<sup>6</sup> In 2003, the MAST Board failed to negotiate a contract with a private company, and decided to hire its own staff for the ambulance service.

Mike Weaver, MD  
Sandra Schemerhorn  
Rex Archer, MD, MPH, ex officio  
Kevin Riper, ex officio

The Mayor appoints and the City Council approves members of the MAST Board of Trustees upon the recommendation of the current board and the Director of Health. The board includes two members who are City Councilmembers; two who are licensed physicians currently involved in the full-time practice of emergency medicine; one who has experience in health care or public administration; and one representative of the area's business community who has a background in finance and banking.

MAST's goal is to preserve lives and health. They plan to do this by providing high quality, prompt and affordable emergency services, medically related transportation, and public education in a caring, courteous, and equitable manner.

The Board meets regularly once a month. The Board of Trustees has the following committees:

- Finance Committee – meets quarterly to prepare recommendations related to annual budget, annual financial report, collections, and financial planning.
- Nominations Committee – meets yearly to nominate officers.
- Personnel Committee – meets yearly to evaluate Executive Director's performance and make salary and benefit recommendations to the Board.

The Board also established three ad hoc committees to work on procuring an ambulance contractor.

In December of each year, the Board prepares an overall yearly agenda. The Board dedicates one December meeting to Board evaluation and self-assessment. They review the goals and the agenda for the previous year and develop the future year's agenda. The Board Chair and the Executive Director prepare monthly meeting agendas. Some items (such as management reports) may be placed on a consent agenda and adopted without discussion.

John Sharp is the Executive Director. He reports to the Board of Trustees.

In 2001, with the help of a consultant, the MAST Board of Trustees adopted formal governance policies, which include policies related to MAST goals and ways to achieve them; and the relationship between the Board and MAST management and its chief executive, and their respective duties and responsibilities. The Board also adopted by-laws and financial and budgeting policies that direct the chief executive to keep MAST financially healthy.

The Kansas City, Missouri Health Director is responsible for setting up regulations and standards for emergency medical services. The Director also appoints a nine-member Emergency Physicians Advisory Board (EPAB) who serve as a medical quality control arm of the system.

To verify the information provided by management, the Executive Director attests to the accuracy of reports at board meetings. In addition, the Board receives outside audits, EPAB audits, and internal management audits.

We conducted the following audit work regarding this agency:  
*Emergency Medical Services System (2000);*  
*MAST Financial Viability (2003); and*  
*Reviews of Audits of Outside Agencies (annual reviews).*

### **Land Clearance for Redevelopment Authority**

Land Clearance for Redevelopment Authority (LRCA) was created by the City Council in 1951, pursuant to RSMo 99.300.

According to the Board's response received on May 1, 2003, the Board of Commissioners of LCRA consisted of:

Michael Duffy, Chair  
 James White, Vice-Chair  
 Dr. Robert Wheeler  
 Steven Hamilton  
 James Stacy

The Mayor appoints commissioners.

The LCRA's goal is the re-development of blighted areas. They plan to do this by encouraging, initiating, and assisting in the revitalization of designated urban redevelopment areas.

The Board has a subcommittee of one member whose responsibility is to review the LCRA monthly financial reports. Commissioners meet once a month. Staff prepare agendas.

Andi Udris of EDC is the Chief Executive Officer of the LCRA. He reports to the LCRA Board of Commissioners. Management's daily activities include managing title work, appraisals, environmental remediation, demolition, acquisition, and the condemnation process to turn over a clean site to the developer. EDC provides staff for the LCRA.

Commissioners have adopted a plan of action, which describes the procedure for applying for LCRA benefits for developers and the policy on reviewing and granting the benefits. LCRA benefits provided to developers include property acquisition, environmental remediation, demolition of existing structures, relocation programs, tax abatement, issuance of bonds, and the acquisition of project-related personal property without the imposition of state sales tax.

They have also adopted by-laws and prepared a commissioner profile, and have job descriptions for the board commissioner, director of planning and development, and assistant executive director positions.

To verify the information provided by management, the Board reviews annual financial audits.

To represent the interests of Kansas Citians, the board meetings are open to the public. In addition, staff members attend neighborhood meetings.

We conducted the following audit work regarding this agency:  
*Reviews of Audits of Outside Agencies* (annual reviews).

### **Port Authority**

The City Council created the Kansas City Port Authority in 1977 to promote the general welfare of citizens of Kansas City, to encourage private capital investment, and to increase the volume of commerce.

According to the Board's response received on May 5, 2003, the Port Authority of Kansas City, Missouri, consisted of:

William Johnson, Chair  
Linda Ward, Vice-Chair  
Sandra Kauffman, Treasurer  
Joanne Collins  
Mary Lou Jaramillo  
Emmet Pierson, Jr.  
Kathy Walter-Mack

The City Council appoints members of the Port Authority Board.

There are three committees. Each of the committees consists of two Port Authority board members and the Chair.

- The Riverfront Development Committee addresses all matters related to the Missouri River Corridor with the exception of the Municipal Port.
- The Administrative and Port Facilities Committee addresses all matters related to the Municipal Port, Richards-Gebaur Memorial Airport, and Friends of the River – Kansas City. It also addresses other administrative matters.
- The Economic Empowerment and Opportunities Program (EEOP) Committee addresses all matters related to MBE/WBE participation and compliance.

The Port Authority created three advisory committees:

- Richards-Gebaur Redevelopment Advisory Committee;
- Problem Gaming Advisory Committee; and
- Advisory Committee to the Port Authority/Ameristar Casino Foundation for the Advancement of Women and Minorities in Business.

The Board meets once a month. The Chief Operating Officer prepares the agenda. The Economic Development Corporation (EDC) provides staff support for the Port Authority, and Andi Udris of EDC is the Authority's chief executive. He reports to the Port Authority Board.

Every year, in January or February, the Port Authority meets to discuss its goals and conduct long-range planning, and to review goals set for the prior year and evaluate progress.

Port Authority activities are governed by RSMo Chapter 68, which lays out the purpose, the powers of the Port Authority, the formation of the Board, conflict of interest policy, bonds policy, contracting policy, etc.

The Kansas City Port Authority Board has adopted by-laws, board member job descriptions, Open Meetings and Public Records Policy, Investment Policy, Travel Expense and Reimbursement Policy, and job descriptions for management positions.

To verify the information provided by management, the Board consults experts in matters concerning real estate development, gaming disorders, and MBE/WBE participation. In addition, the Board reviews annual financial audits.

To represent the interests of Kansas City residents, the Chair of the Port Authority meets with the Mayor and City Councilmembers, directors and staff of city departments, and other boards and commissions.

In addition, the Port Authority includes citizens and stakeholders in discussions of their development plans, and conducts citizen focus groups.

We conducted the following audit work regarding this agency:  
*Performance Audit of the Port Authority of Kansas City, Missouri (1998); and*  
*Reviews of Audits of Outside Agencies* (annual reviews).

### **Economic Development Corporation**

According to the Board's response received on July 11, 2003, the Economic Development Corporation's Board consisted of:

John M. Edgar, Chairman  
John Laney, First Vice Chairman  
W. Andrew Fry, Second Vice Chairman  
Mayor Kay Barnes  
Kevin Barth  
Ron Borst  
Barrett Brady  
Richard Christopherson  
Wayne Cauthen, City Manager  
Beth Derrough  
William H. Downey  
Ed Drake  
R. Michael Duffy  
Councilmember Charles Eddy  
Warren Erdman  
Charles Erickson  
Councilmember John Fairfield  
Ricardo E. Fontg  
Wayne Giles  
Councilmember Deb Hermann  
Rick Hughes  
Sylvester James, Jr.  
Herman A. Johnson

William R. Johnson  
Christine Kemper  
R. Crosby Kemper III  
Clyde McQueen  
Leo Morton  
Charles Myers  
Councilmember Troy Nash  
Vicki Noteis, Director of City Planning and Development  
Councilmember Terry Riley  
Kevin Riper, Director of Finance Department  
Councilmember Jim Rowland  
Robert Steinbach  
Debra K. Turpin  
Bridgette Williams  
Peter K. Yelorda  
A. Marie Young  
Mayor Richard Berkley, ex-officio  
Mayor Emanuel Cleaver II, ex-officio  
Senator Charles Wheeler, ex-officio

The Economic Development Corporation's (EDC's) goal is to promote and strengthen the Kansas City economy and physical environment. The EDC plans to achieve the goal by providing staff and overseeing redevelopment and development projects with the help of incentives and programs of the Land Clearance for Redevelopment Authority, Tax Increment Financing Commission, and Port Authority. EDC assists business and industry through loan programs, business retention, recruitment and start up programs, etc.

They have the following subcommittees:

- Executive Committee oversees the activities of the EDC between EDC board meetings.
- Advisory Committee for Business Development reviews the business development activities of the EDC staff.
- Advisory Committee for Planning and Commissions reviews the redevelopment activities of the EDC staff.
- Audit Committee serves as the EDC Loan Corporation Board to address issues of by-laws, audits, finance, compensation and funding.
- Communications/Marketing Committee reviews external marketing activities of the EDC staff.

- Legislative Committee develops annual legislative agenda for the EDC.
- Nominating Committee nominates new members of the EDC Board.
- Strategic Planning Committee.

The Board meets once a month.

Andi Udris is the CEO. He reports to the Board and prepares the agenda together with the Executive Committee of the EDC Board.

The Board has adopted by-laws and job descriptions.

To monitor the progress toward achieving its goal, the Board reviews monthly and annual management reports.

To verify the information provided by management, the Board can review annual financial audits and audits by the City Auditor's Office.

To know and meet the interests of Kansas Citizens, EDC conducted a survey of area individuals and organizations representing religious, community, and business interests.

We conducted the following audit work in this agency:  
*Reviews of Audits of Outside Agencies* (annual reviews).

### **Kansas City Downtown Minority Development Corporation**

The Kansas City Downtown Minority Development Corporation (KCDMDC) was incorporated on November 27, 1978.

According to the Board's response received on July 3, 2003, the KCDMDC Board consisted of:

Ralph Reid, Chair and CEO  
Thelma Crawford, Board Second  
James Threatt, Board Secretary/Treasurer  
Phillip Brooks

The Mayor appoints four members, and the City Manager or his designee is also a member of the Board.

The goal of the Board is the economic vitality of minority businesses. They plan to achieve this goal by providing financial support to new and existing minority businesses that demonstrate the ability to succeed and create or retain jobs.

The Board meets monthly. They do not have any committees.

Ralph Reid, the Board's chairman and Chief Executive Officer prepares the agenda.

The Board has adopted by-laws and a loan collection policy.

We conducted the following audit work regarding this agency:  
*Reviews of Audits of Outside Agencies* (annual reviews).

### **Maintenance Reserve Corporation**

According to the Board's response received on April 1, 2003, the Board of Directors of Maintenance Reserve Corporation (MRC) was composed of:

Stan Barrett, President (Director of Housing and Community Development)  
Kevin Riper, Treasurer (Director of Finance)  
Tom Bean, Vice President (City Architect)  
Edgar Jordan, Secretary (City Planning and Development, Director of Property and Acquisition Division)  
Nelson Munoz, Attorney (Law Department)

The City Manager appoints Board members.

The goal of the MRC is to provide a long-term home maintenance assistance to low income residents of Kansas City, Missouri.

The Board meets once a year. There are no committees.

The chief executive, in consultation with the Board President, prepares the agendas. Ken Bacchus is the chief executive of MRC. He reports to the Board of Directors.

The Board reviews administrator reports and annual audits to find out and verify whether they are achieving their goals.

Our office has not audited this agency.

### **Kansas City Corporation for Industrial Development**

According to the Board's response received on July 11, 2003, the Board of Kansas City Corporation for Industrial Development (aka, EDC Charitable Fund) consists of

John Edgar, Chairman,  
Andi Udris, President and CEO of EDC  
Andrew Fry  
Clyde McQueen  
John Laney

The Kansas City Corporation for Industrial Development (KCCID) meets on an as needed basis. There are no subcommittees. Andi Udris is the CEO. He reports to the Board and prepares the agenda.

The goal of KCCID is commercial and industrial development of the Paseo West area.

To verify the information provided by management, the Board has attorneys and independent real estate representatives review the information.

Our office has not audited this agency.